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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of

Federal-State Joint Board on
Universal Service

CC Docket No. 96-45
DA 98-2410

COMMENTS
of the
GENERAL SERVICES ADMINISTRATION

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Summary

GSA urges the Commission to adopt most of the recommendations concerning high-cost support mechanisms advanced by the Federal-State Joint Board on Universal Service. GSA has previously recommended that the Commission transition to a procedure that eliminates arbitrary assignments of non-traffic sensitive costs by recognizing these costs as a distinct category. The plan described in the Recommended Decision would be a significant initial step in the transition.

GSA also urges the Commission to determine the requirements for high-cost support on the basis of forward-looking costs. The Commission has correctly adopted this standard for interconnection services and unbundled network elements. It is equally important to employ forward-looking costs in computing high-cost support needs. Moreover, forward-looking cost estimates should be obtained by using proxy cost models. With the refinements identified previously in this proceeding, these models should provide accurate estimates of the costs to serve all areas.

GSA does not concur with one aspect of the proposed plan — the recommendation to develop cost estimates by averaging over study areas. Averages for such large areas will not be representative of the costs or competitive conditions in most of their constituent parts. Instead, GSA recommends use of census-based boundaries, with a variable size standard to ensure that averages are computed only for reasonably homogeneous areas.

Finally, GSA urges the Commission to provide strict guidance to carriers concerning recovery of universal service contributions from consumers. Any line item charges to meet the alleged universal service obligations for services provided pursuant to tariffs or contracts should not exceed the assessment rate, or a proportionate share of a carrier's total obligation. Moreover, carriers should provide their customers with clear and complete explanations of all charges.

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**COMMENTS
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GENERAL SERVICES ADMINISTRATION**

The General Services Administration ("GSA") submits these Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Commission's Public Notice ("Notice") released on November 25, 1998. The Notice invites comments and replies on the Second Recommended Decision adopted by the Federal-State Joint Board on Universal Service ("Joint Board") on November 23, 1998 ("Recommended Decision"). In the Recommended Decision, the Commission addresses procedures for implementing high-cost support mechanisms for non-rural telecommunications carriers.

I. INTRODUCTION

Pursuant to Section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. 481(a)(4), GSA is vested with the responsibility to represent the customer interests of the FEAs before Federal and state regulatory agencies. The FEAs require a wide array of interexchange and local telecommunications services throughout the nation. From their perspective as end

users, the FEAs have consistently supported the Commission's efforts to bring the benefits of competitive markets to consumers of all telecommunications services.

The Telecommunications Act of 1996 ("Telecommunications Act") recognized the need for new initiatives to preserve and advance universal service.¹ The Commission and state regulators have been working in response to this directive to ensure that all individuals have efficient access to modern telecommunications networks. As the most recent step in formulating approaches to ensure universal service, the Joint Board released a report containing recommendations for implementing support mechanisms for non-rural carriers. The Notice seeks input on these recommendations from all parties with interests in telecommunications.

The FEAs have a vital interest in universal service because the ability to communicate with all members of the public is necessary to perform the government's work. To express its views and recommendations concerning universal service, GSA has participated by filing comments in this proceeding on five occasions since April 1996.² GSA appreciates the opportunity to present its conclusions and recommendations on the proposals contained in the Recommended Decision.

II. THE COMMISSION SHOULD ELIMINATE THE JURISDICTIONAL DIVISION OF RESPONSIBILITY FOR HIGH-COST SUPPORT.

A. The Recommended Decision presents a useful method for determining responsibility for support to high-cost areas.

The present high-cost assistance program employs procedures for allocating non-traffic sensitive ("NTS") local loop costs between the interstate and intrastate

¹ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, amending the Communications Act of 1934, 47 U.S.C. § 151 *et seq.* ("Telecommunications Act").

² In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Comments of GSA, April 12, 1996; Reply Comments of GSA, May 7, 1996; Comments of GSA, August 2, 1996; Comments of GSA, December 19, 1996; and Reply Comments of GSA, January 10, 1997.

jurisdictions. These costs reflect the cable, poles and other facilities that link each telephone customer's premises to the public switched network. The allocation of these costs between the two jurisdictions is arbitrary because local loops are used to originate and terminate both intrastate and interstate calls, and the costs of the loops do not vary with the relative or total amount of traffic.

Nationwide, about 27 percent of local exchange carrier ("LEC") local loop costs are allocated to the interstate jurisdiction and 73 percent to the intrastate jurisdiction.³ The average cost per loop varies significantly among LECs, and this cost varies even more significantly among study areas. The high-cost assistance program enables LECs with high local loop costs to allocate more of their loop costs to the interstate jurisdiction, leaving less costs to be recovered through intrastate rates — particularly through the charges for basic local exchange services.

The high-cost assistance program was initiated during the period when the allocation factor was being transitioned from a variable percentage to a fixed assignment of 25 percent of NTS costs to the interstate jurisdiction. Consequently, in the *Universal Service Order* released in 1997, the Commission decided that Federal high-cost support would be based on 25 percent of the total local loop costs.⁴ In the current Recommended Decision, the Commission proposes to avoid the use of any allocation procedure in determining the respective Federal and state high-cost support requirements.⁵

³ Approximately 25 percent of the total interstate and intrastate local loop costs of the LECs are allocated directly by the Subscriber Plant Factor, while two percent are covered by the Universal Service Fund. See Monitoring Report, CC Docket No. 87-339, Prepared for the Federal-State Joint Board in CC Docket No. 80-286, May 1997 ("Monitoring Report"), p. 139.

⁴ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, *Report and Order*, 12 FCC Rcd 8776 (1997) ("*Universal Service Order*"), as corrected by Federal-State Joint Board on Universal Service, *Errata*, CC Docket No. 96-45, FCC 97-157 (rel. June 4, 1997), appeal pending in *Texas Office of Public Utility Counsel v. FCC*, No. 97-60421 (5th Cir. 1997).

⁵ Recommended Decision, para. 10.

The Recommended Decision outlines a proposed plan to replace the jurisdictional division procedure with a new two-step process.⁶ First, the Commission would determine whether the cost of serving a study area is significantly above a national average, and if so, compute the total amount of support necessary. Second, the Commission would determine whether the state has sufficient resources to provide the support needed. If the state lacks the financial resources to keep the telephone rates “reasonably comparable” to the national average, the Federal mechanism would provide the support necessary to accomplish this objective.⁷ Presumably, although the Recommended Decision is not explicit on this point, the share of Federal support could range from zero to 100 percent — the former if the state had no ability to meet any part of the total and the later if the state could assume full responsibility.⁸

The proposed plan has many unspecified parameters. For example, the Recommended Decision does not explain how costs would be compared with a national average to determine the extent of the total support. The present procedures employ two sets of stepped cost adjustment formulas — one for study areas with less than 200,000 local loops, and the other for larger study areas.⁹ According to both formulas, eligibility for high-cost assistance begins when the local loop costs for a study area are 115 percent of the national average.¹⁰ The Recommended Decision does not discuss whether similar formulas, now employed only for “interstate” costs, would be employed to determine eligibility, as well as the level of high-cost support, when applied to the total of interstate and intrastate NTS costs.

⁶ *Id.*, para. 5.

⁷ *Id.*, paras. 23–30.

⁸ *Id.*

⁹ Monitoring Report, Table 3.1, p. 144.

¹⁰ *Id.*

In addition, the Recommended Decision is silent on issues concerning assessment of a state's ability to meet the total support requirements. In fact, the Recommended Decision does not indicate whether quantitative criteria would be applied, or whether the apportionment would be a matter for *ad hoc* resolution. In either case, the apportionment of support may be contentious. For example, local regulators may argue forcefully that a state has minimum resources in attempting to increase the share of the total support to be provided by the Federal government.

In spite of the fact that the plan must be specified in greater detail, and the fact that implementation may be contentious, the approach described in the Recommended Decision is preferable to the current arbitrary division of responsibility. As GSA explained in comments to the Commission concerning jurisdictional separations, the Commission should transition to a procedure that eliminates arbitrary assignments of NTS costs by explicitly recognizing total NTS costs as a distinct cost category.¹¹ The proposal described in the Recommended Decision — removing NTS costs from allocation procedure for the purpose of determining high-cost support obligations — is an appropriate first step in the transition process.

B. By avoiding jurisdictional separations, the proposed plan will address the total needs for high-cost support.

Since the present procedures employed to allocate NTS costs between jurisdictions have no economic basis, there is no reason to use them in apportioning the responsibility for high-cost support. Moreover, the division of cost responsibility between jurisdictions fragments the efforts by this Commission and state regulators to ensure universal service for all businesses and residents in the nation.

¹¹ In the Matter of Jurisdictional Separations reform and Referral to the Federal-State Joint Board, CC Docket No. 80-286, Comments of GSA and the United States Department of Defense ("DOD"), December 10, 1997, pp. 7-9; and Reply Comments of GSA and DOD, January 26, 1998, pp. 6-9.

Because only one-quarter of the NTS access costs are classified as interstate, the Commission's universal service plan does not cover most of the costs that are incurred for access to the public switched network. State regulators are charged with the development and administration of any universal service programs relating to the majority of access costs. GSA submits that this arbitrary division of the burden of universal service support thwarts efforts to meet the mandate of the Telecommunications Act that services be available to all subscribers.

Previously in this proceeding, GSA noted that the Commission modified the funding methods for the existing Federal universal service support mechanisms so that support is no longer generated entirely through charges imposed on long distance carriers.¹² The Commission now requires some contribution from nearly every provider of telecommunications services. While a carrier's support to high-cost and low-income programs is based on total interstate revenues from end users, the assessment to support schools, libraries and rural health care providers is based on the total interstate and intrastate revenues from end users. In defining this latter revenue pool, the Commission does not distinguish revenues on a jurisdictional basis. GSA recommends that this practice be extended to high-cost area support as well.

III. SUPPORT SHOULD BE BASED ON FORWARD-LOOKING ECONOMIC COSTS THAT ARE ESTIMATED USING IMPROVED COST MODELS.

A. The Commission has prescribed forward-looking costs for interconnection services and unbundled network elements.

In the *Universal Service Order*, the Commission adopted the Joint Board's recommendation to determine high-cost support for non-rural carriers based on

¹² *Id.*, Comments of GSA, December 10, 1998, p. 9.

forward-looking economic costs. The Commission continues to believe that the use of forward-looking costs sends the correct signals for entry into telecommunications markets and for investment in telecommunications services.¹³

GSA concurs that forward-looking economic costs are the appropriate standard for determining high-cost support requirements. This standard will encourage efficiency because support levels will reflect the costs of the most efficient carrier. Moreover, this standard is consistent with the Commission's prescriptions for unbundled network elements ("UNEs") and interconnection services. In the *Local Competition Order*, the Commission determined that UNEs as well as interconnection services should be priced on the basis of forward-looking economic costs.¹⁴ The Commission's rationale for using forward-looking costs as the foundation for pricing UNEs and interconnection services supports the same cost approach in assessing the needs of non-rural carriers for high-cost support.

B. With some improvements, proxy models should provide more accurate estimates of the costs to serve high-cost areas.

The Recommended Decision observes that most proposals submitted in previous phases of this proceeding advocate obtaining estimates of forward-looking costs by using proxy cost models.¹⁵ However, the Recommended Decision acknowledges that the process of developing these models is far from complete. In

¹³ Recommended Decision, para. 12.

¹⁴ Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, *First Report and Order*, 11 FCC Rcd 15499 (1996), ("Local Competition Order") *stayed in part sub. nom. Iowa Utils Bd. v. FCC*, 109 F 3rd 418 (8th Cir. 1996), paras. 618-622.

¹⁵ Recommended Decision, para. 28.

fact, some significant uncertainties must be addressed before the models can serve as the basis for estimating high-cost support requirements.¹⁶

In previous comments in this proceeding, GSA explained that the ability to produce reliable cost estimates should be the paramount criterion in evaluating cost models.¹⁷ GSA advocates reliance on models that will produce accurate estimates of costs, because estimates of the levels of high-cost support requirements will impact the rates and charges for all services to end users. Moreover, accurate cost estimates are necessary to eradicate cross-subsidies that will impede the development of competition that can benefit end users in all areas.

In previous phases of this proceeding, some local exchange carriers claimed that the Commission should avoid proxy models in favor of more direct approaches.¹⁸ For example, one carrier stated that proxy models do not consider all of the variables that must be evaluated in making plant mix decisions.¹⁹ The carrier urged the Commission to use studies of "actual forward-looking" costs at the wire center level.²⁰

GSA has explained that the term "actual forward-looking costs" is a misnomer.²¹ It is not clear whether this carrier is recommending use of past costs with future technology, or past technology with costs extrapolated to the future. In either event, the approach falls short of the requirement to model future conditions with costs that can be expected then.

¹⁶ *Id.*, para 29.

¹⁷ Reply Comments of GSA, October 3, 1997, pp. 3-4.

¹⁸ *Id.*, p. 5.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

GSA has acknowledged that some changes in the existing proxy cost models are necessary. In fact, GSA has described several refinements in previous comments in this proceeding. To give three examples:

- Models should be modified to accommodate the fact that telecommunications managers will make decisions concerning network configuration changes and facilities acquisitions in order to minimize total discounted costs in future years.²²
- Models should not be confined to representation of wireline technologies, but should be enlarged to accommodate terrestrial wireless and satellite access, which will become far more prevalent in the future.²³
- Models should be made more flexible to accommodate various mixes of different types of subscribers (with different telecommunications requirements) in the different parts of an exchange area.²⁴

In short, the cost models existing today need some significant improvements. However, proxy models should not be discarded in favor of approaches that rely on current plant designs — configurations that have resulted from decisions well in the past. Also, these approaches should not be rejected in favor of models that employ data or relationships that are alleged to be “proprietary” by carriers.

As GSA has explained, models used to compute high-cost support requirements should be publicly available, employ data and formulas that can be verified independently, and be able to produce identical results when the same inputs are used again.²⁵ Without these characteristics, cost models are not likely to produce accurate estimates.

²² *Id.*, p. 4.

²³ *Id.*, pp. 7-8.

²⁴ *Id.*, pp. 9-10.

²⁵ *Id.*, p. 6.

The modeling procedures advocated by a number of incumbent local exchange carriers in state regulatory proceedings often lack these important characteristics. Indeed, they are not publicly available, neither the models nor the data can be duplicated, and they rely heavily on proprietary information.²⁶ For example, GSA has participated in state regulatory proceedings in which incumbent carriers advocated that their own proprietary models be used to derive rates for Statements of Generally Available Terms and Conditions.²⁷ Almost without exception, these cost models relied substantially on data which the incumbent local carrier designated as "proprietary."

In theory, the use of "proprietary" data should not pose significant barriers in estimating costs. In practice, however, it is very difficult to verify the accuracy of this data. As a result, their estimates cannot be considered reliable. Indeed, if a model employs "proprietary" data, parties that do not have access to the models or to the data inputs must assume that the resulting estimates are biased in favor of the organization claiming protected status. To ensure accurate and unbiased estimates of costs, all parties must be able to verify the accuracy of the underlying data, as well as the validity of the cost relationships.

IV. THE COMMISSION SHOULD NOT REVERT TO AVERAGING COSTS OVER STUDY AREAS.

A. Costs and competitive conditions vary widely over the statewide service areas of most local exchange carriers.

In the *Universal Service Order*, the Commission adopted the Joint Board's recommendation that forward-looking economic costs be determined at the wire

²⁶ *Id.*

²⁷ For example, District of Columbia Formal Case No. 962; Georgia Docket No. 7061-U; Maryland Case No. 8731, Phase II; New Jersey Docket No. BPU 95120631; and Virginia PUC970005.

center level, or even for some smaller geographical areas.²⁸ However, the Recommended Decision states that high-cost support should be determined by “study area,” which is defined as the region served by a LEC in a single state.²⁹

The Recommended Decision selects the “study area” for cost averaging because the Commission believes that disaggregation to this level will properly measure the support responsibility “given the current extent” of local competition.³⁰ The recommendation to average over such a large region, however, is not a matter of necessity. Indeed, most proxy models are capable of producing estimates with far greater disaggregation. Some models are based on the geographical divisions used for the Federal census (Census Block Groups and Census Blocks), and some are based on the boundaries of wire center service areas that are established by local exchange carriers.

GSA disagrees with the recommendation to use the study area for averaging access costs in assessing the needs for high-cost support. In almost all cases, the service area of a LEC within a state will encompass very disparate parts — ranging from densely populated sections where the unit costs are very low, to sparsely developed sections where the unit costs are far greater. Similarly, since competition has developed much more rapidly in densely populated regions, a study area will usually encompass sections with far different levels of competitive activity. Thus, averages for a study area will usually not be representative of the costs or the competitive conditions in most of its constituent parts.

²⁸ *Universal Service Order*, 12 FCC Rcd at 8884, para. 193.

²⁹ Recommended Decision, para. 32.

³⁰ *Id.*, para. 33.

B. Averages should be computed only for homogeneous areas.

Averages based on census definitions or wire center service boundaries are preferable, because both measure costs and competitive activity with greater precision than possible with averages for study areas. Comments submitted in response to a Further Notice of Proposed Rulemaking released in the instant proceeding on July 18, 1997 also supported estimating costs at a greater level of granularity than would be possible using the study area. As GSA explained in its previous comments, the larger incumbent LECs generally favor the wire center measures, while interexchange carriers and rural LECs generally support the census measures.³¹

Some LECs contend that models should not employ a costing area smaller than the service area of a wire center, because this area reflects the “true boundaries” of the network engineered to provide local service.³² Since all local telephone companies provide services through wire centers, historical data as well as forecasts for various types of end users (*e.g.* residence, business single line, business multi-line etc.) are maintained and updated on a wire center basis.

On the other hand, advocates of census-based measures advance arguments in opposition to the wire center as a costing basis.³³ These parties explain that demographic data are available at the “census block” level, and that census blocks are usually defined to reflect natural geographic features and population clusters.³⁴

There are advantages to both approaches, but GSA believes that census-based measures are the preferred standard. In the first place, census-based

³¹ Reply Comments of GSA, September 10, 1997, p. 4.

³² *Id.*

³³ *Id.*

³⁴ *Id.*

measures will usually provide greater geographic precision than the wire center measure. But, perhaps more importantly, the fact that the wire center has historically reflected "true boundaries" is prospectively its most important defect. While the wire center measure provides a good anchor for data, models focused heavily on plant characteristics for an existing wire center area will generally not be well suited for estimating future incremental costs. Additionally, the wire center approach represents the business decisions of a particular carrier, which are not necessarily responsive to the existing customer base or indicative of consumer demand in the future. In spite of these drawbacks, however, the wire center measure should not be ignored completely. It is important to be able to map cost parameters into wire center serving areas in order to use data maintained by the incumbent carriers.

Even among census-based measures, there is considerable flexibility as to the optimum size, including Census Block Groups, Census Blocks, and "grid cells." Therefore, instead of adopting a uniform standard, GSA has urged that the Commission adopt a variable standard reflecting two considerations:

- homogeneity of the area, accounting for probable future distributions of households and businesses; and
- need to reconcile in the aggregate with wire center boundaries in order to employ line count and traffic data maintained by carriers.³⁵

Furthermore, as GSA has explained, in some cases it may be important to represent the fact that end users are clustered in extremely small areas.³⁶ Clustering algorithms are being developed for some models to enable them to represent these demographic conditions accurately.³⁷

³⁵ *Id.*

³⁶ *Id.*, p. 6.

³⁷ *Id.*, p. 6

In summary, averages based on study areas will not be sufficient. GSA recommends that all of the available tools be employed to obtain the greatest possible accuracy in the estimate of high-cost support requirements.

V. THE COMMISSION SHOULD PROVIDE STRICT GUIDELINES TO CARRIERS CONCERNING RECOVERY OF UNIVERSAL SERVICE CONTRIBUTIONS FROM CONSUMERS.

A. Line item charges should not exceed the corresponding assessment rates.

In the *Universal Service Order*, the Commission concluded that carriers would be permitted, but not required, to pass through their contributions to the Federal universal service support fund.³⁸ If carriers elected to recover assessments through specific charges on end users, they were required to provide complete and accurate descriptions of the charges.³⁹

While these disclosure rules seemed to be adequate, they were not effective. During the first nine months of 1998, more than 2,000 consumers filed informal complaints with the Commission about these charges.⁴⁰ As a result, the Joint Board now recommends that the Commission set strict guidelines on carriers regarding recovery of universal service contributions from end users.⁴¹

GSA strongly supports rules that strictly limit carriers' actions in recovering universal service assessments. Many of the FEAs are technically sophisticated users of telecommunications services, with employees experienced in dealing with procurements through contracts and tariffs. Nevertheless, there have been instances where attempts by carriers to recover assessments through surcharges appearing on

³⁸ Universal Service Order, 12 FCC Rcd 9199, para. 829.

³⁹ *Id.*, at 9211, para. 855.

⁴⁰ Recommended Decision, para. 66.

⁴¹ *Id.*, para. 68.

invoices to Federal agencies have resulted in confusion and contention. If the employees of an experienced user are confused, it is likely that many subscribers have no understanding of the actions by carriers to recover the costs that they claim to incur for "universal service."

The magnitude of the charge on end users is one fundamental concern. The Recommended Decision notes that some carriers may attempt to "exercise market power" and recover through "universal service charges" more than they are actually contributing to universal service.⁴² Also, the Recommended Decision states that some carriers may be allocating a disproportionate share of their total universal service assessment to certain groups of customers in violation of the *Universal Service Order*.⁴³

As end users, the FEAs urge the Commission to adopt strong measures to prevent such abuses. For example, carriers should be prohibited from assessing line item charges in excess of unit contributions. Carriers should also be prohibited from assessing line item charges above a reasonable share of their total universal service costs. In addition, carriers should be required to provide end users with complete and clear documentation of all such charges, at no cost to the users.

Regulations that include provisions for fines and refunds in the event of violations are justified by the ease with which carriers can extract excessive fees from end users. As GSA has noted in Comments submitted to the Commission in other proceedings, interstate rates of return for LECs under price cap regulation ranged from 10.3 percent to 18.2 percent in 1997.⁴⁴ For these carriers, at least, the need to meet

⁴² *Id.*, para. 69.

⁴³ *Id.*

⁴⁴ In the Matter of United States Telephone Association Petition for Rulemaking – 1998 Biennial review, ASD 98-97, Comments of GSA, November 30, 1998, p. 19; and In the Matter of Access Charge Reform, CC Docket No. 96-262 *et al.*, Comments of GSA, October 26, 1998, pp. 4-6.

universal service obligations has clearly not resulted in financial hardship. The proliferation of line item charges on invoices for telecommunications services within the past year attests to the fact that carriers are taking major steps to pass costs on to their customers. Furthermore, the volume of requests for invoice clarification received by the Commission's National Call Center — more than 10,000 calls per month during the first part of 1998 ⁴⁵ — shows that attempts by carriers to recover these costs from end users have resulted in widespread confusion.

B. Carriers should be required to explain and document all universal service charges on bills to end users.

The Joint Board recommends that the Commission take decisive action to ensure that consumers are not misled as to the nature of charges identified as recovering universal service obligations.⁴⁶ Specifically, the Joint Board recommends that the Commission prohibit carriers from identifying such charges as a “tax,” or implying in any way that the charges are mandated by the Commission or other instrumentality of the government.⁴⁷ GSA concurs with these recommendations.

Carriers have employed descriptions for line item charges which imply that the carrier is simply the collecting agent. The full description on the bill to an end user may simply be “Universal Connectivity Charge” or “Universal Service Connectivity Charge.” It is logical to infer from such a description that a consumer cannot avoid the charge regardless of the carrier or carriers selected to provide services. This inference would not be correct.

Moreover, telephone bills will frequently include a notice that consumers can obtain more information about a universal service charge by calling a designated toll—

⁴⁵ *Id.*

⁴⁶ Recommended Decision, para. 70.

⁴⁷ *Id.*

free telephone number. It is unclear whether many individuals will take this opportunity. Further, GSA has found that these toll-free numbers provide access to recorded information, rather than to a representative who can address questions that a consumer may have.

GSA urges the Commission to adopt regulations requiring that all carriers furnish end users with explicit, complete and clear written descriptions of all line items on bills. In addition, carriers should be required to provide documentation supporting the calculation of all charges to end users.

The Recommended Decision also notes that some state regulatory agencies are considering establishing regulations that will curtail the actions by some carriers to mischaracterize universal service line items on bills.⁴⁸ The Joint Board recommends that the Commission work closely with these commissions, as well as agencies such as the Federal Trade Commission, to ensure that end users are provided with complete and accurate information.⁴⁹ GSA also concurs with this recommendation. The achievement of universal service goals requires a broad and concerted effort by many groups. The implementation of fair and equitable means to reach these goals deserves no less.

⁴⁸ *Id.*, para. 73.

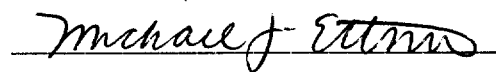
⁴⁹ *Id.*

VI. CONCLUSION

As a major user of telecommunications services, GSA urges the Commission to implement the recommendations set forth in these Comments.

Respectfully submitted,

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December 23, 1998

CERTIFICATE OF SERVICE

I, MICHAEL J. ETTNER, do hereby certify that copies of the foregoing "Comments of the General Services Administration" were served this 23rd day of December, 1998, by hand delivery or postage paid to the following parties.

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